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INTERNATIONAL FUND OF CANADA  
LIMITED

PROSPECTUS MAY 2, 1966



A MEMBER OF THE B·I·F GROUP



# INTERNATIONAL FUND OF CANADA

*(International Fund of Canada Limited is herein sometimes referred to as International Fund of Canada)*

*The International Investors' opportunity  
to achieve above-average capital gains  
through investment in North American securities.*



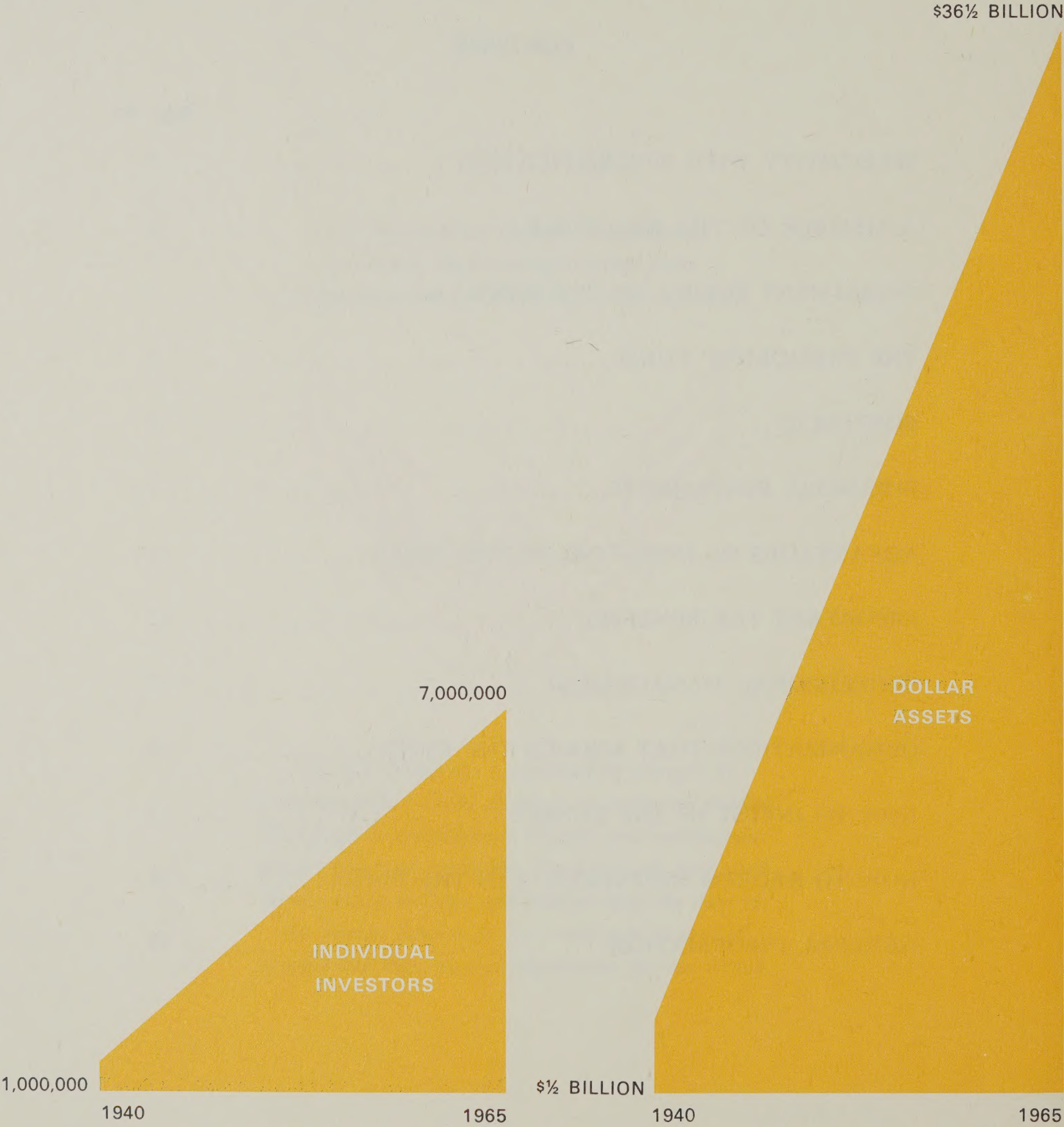
*The BIF Group has symbolized its strength in  
the choice of the Golden Eagle as its corporate emblem.  
This Eagle is indigenous to Canada and mountainous  
areas throughout the world. The Eagle has been used  
on standards, armour, and coinage since the days of  
the Roman Empire. It is a traditional symbol of  
strength and thus, we feel, appropriate for our Group.*

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# GROWTH OF MUTUAL FUNDS IN THE UNITED STATES AND CANADA





# INTERNATIONAL FUND OF CANADA

## SELECTIVITY WITH DIVERSIFICATION

Investment Trusts, which have become known in today's modern age as "Mutual Funds" offer millions of people throughout the world an opportunity to pool their savings in a common fund for mutual profit. By so doing, large and small investors alike are able to acquire the full-time services of PROFESSIONAL MONEY MANAGERS and to achieve other benefits which until recently have been available in practice only to large institutional investors.

Since 1940 Mutual Funds have gained increasingly wide public acceptance in Canada and the United States. The number of Mutual Fund investors has risen from slightly over *one million in 1940*, to approximately *seven million at the end of 1965*—an increase of 600%. During the same period, dollar assets have grown from approximately  $\$1\frac{1}{2}$  billion to in excess of  $\$36\frac{1}{2}$  billion, an increase of 7200%. As a result, Mutual Funds have become the fastest growing segment of the financial industry, exceeding the growth rate of banks, savings and loan institutions and trust companies, over the same period.

INTERNATIONAL FUND OF CANADA, the international arm of The Presidents' Fund, Canada, utilizes the specialized skill and experience of its *professional management* and that of The Presidents' Fund in selecting, reviewing, and trading the underlying securities of such funds. To date the International Fund of Canada has invested with respect to Canadian securities in shares of The Presidents' Fund and intends to invest in securities of Canabam Limited with respect to United States investments. Both The Presidents' Fund and Canabam have had excellent growth records in their respective investment fields. For most international investors who wish to invest prudently in selected North American securities, the International Fund of Canada through its investment policy and as a result of the Canada-United States Reciprocal Tax Convention and other applicable tax laws, affords important tax advantages. In one purchase the individual investor is offered an investment in a carefully selected list of open-end and closed-end funds, management companies and *in BIF itself*. In turn the open-end and closed-end funds provide a diversity of investment in North American securities.

It has been estimated that there are over 50,000 different North American securities suitable for public investment. The New York Stock Exchange alone has some 1,500 listed securities, the American Stock Exchange, 1,000 and the Toronto Stock Exchange, 1,100.

Most investors have not the time, resources or knowledge to select wisely from such a diverse list. The growth of mutual funds since 1940 is evidence of the need by investors for shared investment programs *properly managed and supervised*. Today's diversity of mutual funds and closed-end trusts—there are now some 300 open-end funds in the U.S.A. and Canada alone—has led to the need for further refinement.

The Presidents' Fund and now INTERNATIONAL FUND OF CANADA offer such a refinement by using their funds primarily to invest in shares of *open-end mutual funds, closed-end investment companies* and in *money management companies*. *Selectivity and diversification are thus assured.*

## MUTUAL FUNDS:

*The Modern Way to Invest*

## DIVERSIFICATION



# BIF COMBINED ASSETS AND NET WORTH

\$130 MILLION



BIF GROUP  
COMBINED  
ASSETS

BIF GROUP  
EQUITY  
CAPITAL



## A MEMBER OF THE BIF GROUP

Over 120 years service to the investing public

INTERNATIONAL FUND OF CANADA LIMITED was incorporated by the BIF GROUP under the laws of the Bahama Islands in 1966 to act as an open-end investment trust with its administrative headquarters in Nassau. The fund is referred to as International Fund of Canada. The Bahama Islands were chosen *because of tax advantages, political stability*, the availability of transportation to all parts of the world, and the excellence of its communications.

The BIF GROUP is an *International Federation of companies* including banks, trust companies, savings and loan institutions and mutual fund organizations whose total assets now exceed \$130 million. One of Canada's oldest savings institutions, The Lambton Loan and Investment Company, established in 1844, is a member of the BIF GROUP.

The companies of the BIF GROUP founding INTERNATIONAL FUND OF CANADA are:

British International Finance (Canada) Limited

Wellington Bank International Limited

The Wellington Financial Corporation, Limited

British International Finance (Canada) Limited is the central company of the BIF GROUP. Its philosophy is dedicated to the concept of the development of a federation of independent financial companies, each with the operational flexibility required to meet local conditions, but with the facility to work in close association with each other to provide a *network of "one-stop" financial services* to the public. This concept is already in successful operation.

The Wellington Financial Corporation, Limited is the subsidiary company in charge of the financial operations of the BIF GROUP in North America. The company was incorporated under the laws of the Dominion of Canada in 1926 and has carried on continuous operations since that time, its assets now being \$106,000,000.

Wellington Bank International Limited is in charge of the financial operations of the BIF GROUP internationally. It carries on an international banking, trust and investment management business from its head office in Nassau, Bahamas and from representative offices in New York, U.S.A. and London, England and provides a complete and confidential service to its clients in world markets. The bank was incorporated under the laws of the Bahama Islands in 1965 and since then its assets have grown to over \$9,400,000.

The combined experience and facilities of all the companies in the BIF GROUP will be available to INTERNATIONAL FUND OF CANADA to provide investors with the assurance of PROFESSIONAL and COMPETENT MANAGEMENT.

**INTERNATIONAL  
FUND OF CANADA  
LIMITED**

**THE BIF GROUP**

**FOUNDERS OF  
INTERNATIONAL  
FUND OF CANADA**



# INVESTMENT POLICY OF INTERNATIONAL FUND OF CANADA

An opportunity for the growth-minded investor

The management of INTERNATIONAL FUND OF CANADA believes that all individual investors throughout the world should have *an opportunity to participate in the economic growth of North America.*

## INVESTMENT PHILOSOPHY

In these countries—CLOSED-END INVESTMENT COMPANIES, OPEN-END MUTUAL FUNDS, AND FINANCIAL MANAGEMENT COMPANIES have been successful because of their ability to attract and retain *professionally-trained money managers*, their flexibility in investing in selected sectors of the economy with the greatest profit potential, and because of their ability to switch such investments swiftly if conditions dictate.

The wide range of financial institutions in each country makes it extremely difficult for the individual investor to choose wisely.

Ideally, the investor should own securities issued by a number of such institutions and should change his investments as conditions dictate. In practice the investor does not have the data or experience upon which to assess a particular investment and often misses better opportunities which have arisen but are not known to him.

INTERNATIONAL FUND OF CANADA, like The Presidents' Fund, will invest in those *investment company shares, management company securities*, including *British International Finance (Canada) Limited*, and *open-end mutual funds* which management believes offer the maximum opportunity for future growth. The *primary objective* of INTERNATIONAL FUND OF CANADA will be *to provide long-term GROWTH OF CAPITAL* and thereby build a source of *future income.*

## OBJECTIVE ABOVE AVERAGE GAINS

INTERNATIONAL FUND OF CANADA, initially has invested in The Presidents' Fund in respect to its Canadian investments and intends to invest in Canabam Limited with respect to its investment in United States securities. In future the INTERNATIONAL FUND OF CANADA may invest in other funds or North American securities if it appears to be advantageous to do so for tax or other reasons.

## INVESTMENT PORTFOLIO

Canabam Limited was incorporated under the laws of Canada on February 28, 1958, to provide investors interested in the growth of capital with a specially designed, closely supervised, and professionally managed investment vehicle having important tax features and located in the western hemisphere. The fund issues debentures which had an original value of \$1,000. By April 15, 1966 their value had reached over \$4,600. The following is a partial list of Canabam's investments as at April 15, 1966 when they totalled approximately \$2 million: Chicago Great Western Railway Co., CTS Corp., Flying Tiger Line, Inc., General Precision Equipment Corporation, General Signal Corp., Gulf & Western Industries Inc., Kresge (S.S.) Company, Ling-Temco-Vought Inc., Metromedia, Inc., Motorola, Inc., Polaroid Corp., Textron, Inc. warrants, Zenith Radio Corp.

## CANABAM

The Presidents' Fund Limited was incorporated under the laws of the Province of Ontario on April 12, 1955. Initially the Fund was run closely by senior executives of the BIF GROUP and became known as The Presidents' Fund due to its activities, which designation is used herein. The Fund established an enviable record having grown on a per share basis from \$1.15 (Can.) in 1960 to over \$3.50 (Can.) in 1965, a gross increase of *over 300%*. It was felt fitting that on the expiration of The Presidents' Fund's first ten years it should be offered internationally to the public.

## PRESIDENTS' FUND



## THE PRESIDENTS' FUND INVESTMENTS

The investment portfolio of The Presidents' Fund includes the following, having an aggregate market value in Canadian dollars, as at April 15, 1966, of \$1,351,050.

70,000 Shares, having a market value of \$241,863 in *York Fund of Canada*—a Canadian open-end growth fund which has a selective and diversified portfolio of shares of well known North American companies including shares of Timed Investment Fund Limited.

125,000 Shares, having a market value of \$695,200 in *Devon Fund*—a *special situation* open-end fund administered by York Trust and Savings Corporation, Toronto. The present portfolio is concentrated in shares of financial institutions of the BIF Group which management considered *special situations* likely to yield substantial capital gains.

43,952 Shares, having a market value of \$170,314 in *Canadian Finance & Investments Ltd.*—a closed-end fund, incorporated under the laws of the Province of Manitoba by Letters Patent dated the 30th day of March, 1926 and whose shares are traded on the Winnipeg and Vancouver Stock Exchange. The Fund's objective is to invest in the capital stock of *banks, trust companies, mortgage corporations* and other *financial institutions* which in the opinion of management offer maximum potential for capital growth.

29,314 Shares, having a market value of \$243,673 in *British International Finance (Canada) Limited*—the parent company in the BIF GROUP, incorporated under the laws of the Province of Ontario by Letters Patent dated the 27th day of June, 1960 and whose Class A shares are traded on the Toronto Stock Exchange.

The following is a partial list of financial institutions and companies in which the above in turn have invested funds, as at April 15, 1966. Combined fund assets are in excess of \$4,000,000.

### BANKS & FINANCIAL

Bank of Montreal  
Canadian Imperial Bank of Commerce  
Canadian First Mortgage Corporation  
The Bank of Nova Scotia  
The Toronto-Dominion Bank  
Wellington Bank International Limited  
The Wellington Financial Corporation, Limited

### TRUST COMPANIES

York Trust and Savings Corporation  
Fort Garry Trust Company  
The Alberta Fidelity Trust Company  
The Premier Trust Company  
Victoria and Grey Trust Company

### MANAGEMENT COMPANIES

Argus Corporation Limited  
Cygnus Corporation Ltd.  
Power Corporation of Canada Limited  
Dale-Ross Holdings Ltd.

### BEVERAGE & FOOD

Hiram Walker-Gooderham & Worts, Limited  
Canada Bread Co. Ltd.  
Dominion Stores Limited  
George Weston Limited  
Canadian Breweries Limited

### OIL & GAS

Husky Oil Canada Ltd.  
Imperial Oil Limited  
Interprovincial Pipe Line Co.  
Northern and Central Gas Company Limited  
Trans Mountain Oil Pipe Line Company  
Canadian Industrial Gas & Oil Ltd.  
The Alberta Gas Trunk Line Company Limited

### INDUSTRIAL

DuPont of Canada Limited  
Domtar Limited  
Dominion Oilcloth & Linoleum Co. Ltd.  
The Algoma Steel Corporation Limited  
Dominion Foundries & Steel Ltd.  
The Steel Company of Canada Ltd.  
Massey-Ferguson Limited  
Slater Steel Industries Limited  
Aluminum Co. of Canada Ltd.  
Canadian Pacific Railway Company

### UTILITIES

The Bell Telephone Company of Canada  
British Columbia Telephone Company  
Great Lakes Power Corporation Ltd.

### BASE METALS

Falconbridge Nickel Mines Limited  
The International Nickel Company of Canada Ltd.  
Hudson Bay Mining & Smelting Co. Ltd.

The BIF GROUP maintains a substantial interest in the management and daily supervision of the investment portfolios of the York Fund, Devon Fund and Canadian Finance & Investments Ltd. The BIF Group also holds a 30% interest in the management company of Timed Investment Fund Limited referred to above. Timed Investment Fund is a balanced open-end Canadian fund incorporated under the laws of the Government of Canada by Letters Patent dated the 16th day of March 1950.



**THE PRESIDENTS' FUND LIMITED**  
(formerly Macron Holdings Limited)  
(Incorporated under the laws of the Province of Ontario)

**BALANCE SHEET AS AT DECEMBER 31, 1965**  
(in Canadian dollars)

**ASSETS**

Cash.....	\$ 10,065
Dividends and other accounts receivable.....	760
Investments at market value (Note 1) (Average cost, \$1,303,334).....	1,264,319
	<u>\$1,275,144</u>

**LIABILITIES AND SHAREHOLDERS' EQUITY**

**Liabilities**

Demand loan—7%, secured.....	\$ 145,834	
Due to brokers.....	4,150	
Accounts payable and accrued charges.....	29,460	\$ 179,444

**Shareholders' Equity**

**Share Capital (Notes 2 and 3)**

**Authorized**

- 500,000 Special Class A Shares with a par value of \$10 each, non-voting until dividends in arrears for 2 years in the aggregate, issuable in series, the first series of which is designated as 10,000 6% cumulative redeemable Special Class A Shares, Series One (redeemable at \$11 per share)
- 3,000,000 6% non-cumulative Special Class B Shares with a par value of \$1 each, non-voting until dividends in arrears for 2 consecutive years
- 500,000 common shares without par value

**Issued and fully paid**

10,000 Special Class A Shares, Series One.....	\$ 100,000
276,844 Special Class B Shares.....	276,844
40,630 Common Shares.....	4,780
	<u>381,624</u>

**Surplus**

Contributed surplus (Note 3).....	\$735,223	
Earned surplus.....	17,868	753,091
		<u>1,134,715</u>

Unrealized depreciation of investments (Note 1).....	39,015
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Total shareholders' equity.....	<u>1,095,700</u>
	<u>\$1,275,144</u>

On behalf of the Board:    SINCLAIR M. STEVENS, *Director*    PHILIP B. MACDONALD, *Director*

The accompanying notes to the balance sheet are an integral part thereof.



## NOTES TO BALANCE SHEET

December 31, 1965

1. Effective June 30, 1965 the company changed from a cost basis to a market value basis of valuing its investments, at which time the excess of market value over cost, \$56,515, was credited to "Unrealized appreciation of investments". This change in valuation basis had no effect on the earnings for the year ended December 31, 1965 or on the balance in earned surplus at that date. The effect was to increase the assets of the company by \$56,515, representing the difference between average cost of the investments, \$483,983, and their quoted market value at June 30, 1965, \$540,498. It is the company's practice to apply the average cost method of determining realized profits or losses on disposals of investments.
2. Supplementary Letters Patent, dated June 25, 1965, have been granted to the company changing its name from "Macron Holdings Limited" to "The Presidents' Fund Limited", and confirming the following changes in share capital, which are reflected in the accompanying balance sheet:
  - (a) The increase in the authorized number of 6% cumulative redeemable preference shares with a par value of \$10 each from 3,500 to 10,000 and the designation of these shares as 6% cumulative redeemable Special Class A Shares, Series One and the creation of 490,000 additional Special Class A Shares with a par value of \$10 each, issuable in series. The 470 previously issued preference shares and an additional 9,530 Special Class A Shares issued for cash during the year ended December 31, 1965 now constitute 10,000 Special Class A Shares, Series One.
  - (b) The creation of 3,000,000 6% non-cumulative Special Class B Shares with a par value of \$1 each, of which, during the year ended December 31, 1965, 60,940 shares were issued for cash, 6,832 shares were issued for cancellation of outstanding indebtedness of the company to three shareholders, and 209,072 shares were issued in exchange for certain investments.
  - (c) The increase in the authorized number of common shares from 5,000 to 500,000, and the sub-division of the 4,780 previously issued common shares without par value into 40,630 common shares without par value.
3. The total consideration for the 276,844 Special Class B Shares issued during the year ended December 31, 1965 was \$1,012,067, of which \$276,844 (representing their par value) was credited to capital stock. The remaining amount of \$735,223 has been credited to contributed surplus.

## TOUCHE, ROSS, BAILEY & SMART

CHARTERED ACCOUNTANTS

HALIFAX  
QUEBEC  
MONTREAL  
TORONTO  
LONDON  
REGINA  
NORTH BATTLEFORD  
EDMONTON

SAINT JOHN  
CAP DE LA MADELEINE  
OTTAWA  
HAMILTON  
WINNIPEG  
SASKATOON  
CALGARY  
VANCOUVER  
VICTORIA

SUN LIFE BUILDING  
200 UNIVERSITY AVE.  
TORONTO 1, ONTARIO

UNITED STATES OF AMERICA  
GREAT BRITAIN  
AND OTHER COUNTRIES  
THROUGHOUT THE WORLD  
CABLE ADDRESS: "TROBAS"

### AUDITORS' REPORT

To the Directors,  
The Presidents' Fund Limited.

We have examined the balance sheet of The Presidents' Fund Limited as at December 31, 1965. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion, the accompanying balance sheet, supplemented by the accompanying notes thereto, presents fairly the financial position of the company as at December 31, 1965 in accordance with generally accepted accounting principles applied (except for the change in the basis of valuing investments as outlined in Note 1, with which we concur) on a basis consistent with that of the preceding year.

Toronto, Ontario,  
March 22, 1966.

*Touche, Ross, Bailey & Smart*  
Chartered Accountants.



## PERFORMANCE RECORD OF THE PRESIDENTS' FUND

AN ASSUMED INVESTMENT  
OF \$10,000.00, MADE ON JAN. 2, 1960.



There can be no guarantee as to future value of the Fund's shares which fluctuate.



# INTERNATIONAL FUND OF CANADA LIMITED

(Incorporated on April 7, 1966 under the laws of the Bahama Islands as a Company limited by guarantee and not having a capital divided into shares)

## STATEMENT OF ASSETS AND LIABILITIES

(in United States dollars)

April 15, 1966

### ASSETS

#### INVESTMENTS

209,072 Class B shares of The Presidents' Fund Limited at net asset value . . . . .	\$576,307
	<u>\$576,307</u>

### MEMBERS' INTERESTS

#### SHARES (*Note*)

Shares issued and outstanding (209,072) . . . . .	\$576,307
	<u>\$576,307</u>

Approved on behalf of the Board

PHILIP B. MACDONALD, *Director*

SINCLAIR M. STEVENS, *Director*

#### NOTE:

Clause 4 of the Memorandum of Association of the Fund (a Company limited by guarantee and not having a capital divided into shares) states:

“Every member of the company undertakes to contribute to the assets of the company, in the event of the same being wound up during the time that he is a member, or within one year afterwards, for payment of the debts and liabilities of the company contracted before the time at which he ceases to be a member and of the costs, charges and expenses of winding up the company, and for the adjustment of the rights of the contributories amongst themselves, such amount as may be required not exceeding one shilling sterling.”

Members subscribe for interests, defined as “shares” in the company and the number of “shares” outstanding in any member’s name at any time determines his interest in the net assets of the company.

### AUDITORS' REPORT

To the members and Directors of  
INTERNATIONAL FUND OF CANADA LIMITED  
Nassau, Bahamas

We have examined the balance sheet of the International Fund of Canada Limited (a company limited by guarantee) as at April 15, 1966. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion the accompanying balance sheet, read in conjunction with the accompanying note, presents fairly the financial position of the company as at April 15, 1966, in accordance with generally accepted accounting principles.

Nassau, Bahamas,  
April 28, 1966.

TOUCHE, ROSS, BAILEY & SMART,  
*Chartered Accountants.*



## ADVANTAGES OF INVESTING IN INTERNATIONAL FUND OF CANADA

An opportunity for the growth-minded investor

*Successful investment* requires the *knowledge and skill* of *specialists* trained in the analysis of securities and of carefully selecting those with the greatest profit potential. These specialists, who make up your PROFESSIONAL MANAGEMENT team, also require the research facilities of *a large organization* to collect and interpret the everchanging data of industry and events—the information necessary for them to perform profitably for you.

CONTINUOUS  
INVESTMENT  
SUPERVISION

PROFESSIONAL MANAGEMENT, utilizing such research facilities, must *review continuously* the portfolio of underlying securities to ensure not only the continuing soundness of the investments made, but also to review other opportunities which have arisen and which might offer a greater potential for future growth. CONTINUOUS INVESTMENT SUPERVISION is generally too costly for the individual investor. By spreading this cost over a large number of investors, and by sharing the costs proportionately, the individual investor can afford full-time PROFESSIONAL MANAGEMENT regardless of the size of his investment.

Historically the *purchasing power of money has declined*. INTERNATIONAL FUND OF CANADA *protects* against this trend by investing in a select portfolio of shares in money management companies, mutual funds and investment companies which in turn have diverse equity holdings in many corporations.

PROTECTION  
AGAINST  
INFLATION

Dividends, interest and capital gains earned by INTERNATIONAL FUND OF CANADA will be continually reinvested in the Fund's portfolio. This reinvestment is done *without charge* and automatically increases the net asset value of each share of the investor. *Variable Withdrawal Programs* are available for investors requiring *current income*.

DIVIDEND  
COMPOUNDING

In order to *achieve maximum growth* potential The Presidents' Fund and INTERNATIONAL FUND OF CANADA borrow to further their investment objectives. Future borrowing will not, at any time exceed 20% of the total net asset value of both Funds consolidated.

LEVERAGE

You obtain the benefit of ownership of many growth securities, with the convenience of a SINGLE INVESTMENT.

CONVENIENCE

You will receive regular reports on the status of your individual account as well as the status of INTERNATIONAL FUND OF CANADA and are, therefore, relieved of the tedious duties of bookkeeping.

Investments in INTERNATIONAL FUND OF CANADA may be made anywhere in the world at a *single price*, which is determined on each business day.

MARKETABILITY

Investors may redeem all or any of their investments at 100% of the current net asset value at any time. Prompt payment will be made in U.S. dollars or such other currency as the investor may arrange.

Shares of INTERNATIONAL FUND OF CANADA will be based on the net asset value of the Fund's Investment Portfolio, in U.S. dollars. Net asset value is calculated by dividing all outstanding shares into the market value of the investment portfolio. The net asset value is normally determined immediately after the close of the New York Stock Exchange and the Toronto Stock Exchange on each business day. Shares will be continuously offered and redeemed, normally on the basis of the last determined net asset value per share.

VALUATION OF  
FUND SHARES



Investors in INTERNATIONAL FUND OF CANADA *are normally exempt from taxes* which are ordinarily imposed on persons investing directly in North America who are neither citizens nor residents of any country in North America. There are no income taxes, inheritance taxes or estate taxes in the Bahama Islands.

## IMPORTANT TAX BENEFITS

*to the investor*

An investor making an investment *directly* in United States or Canadian mutual funds, stocks, bonds, or real estate, will probably be subject to one or more of the following taxes:

1. INCOME TAX on income derived from such investments.
2. CAPITAL GAINS TAX on the profit of any realization of investment.
3. DEATH TAXES on the transmission of such investment to personal representatives of the investor. Where the investor dies while still owning a *direct* investment in either the United States or Canada, such investment in all likelihood will be subject to one or more death or succession duties from the State, Provincial and Federal Governments having jurisdiction in the circumstances.

An investor making an investment in INTERNATIONAL FUND OF CANADA will have the following *tax position*:

1. INCOME TAX—as it is not proposed that INTERNATIONAL FUND OF CANADA pay dividends to investors, the investor probably *will not incur any income taxes* in his country of residence.
2. CAPITAL GAINS TAX—when the investment in INTERNATIONAL FUND OF CANADA is redeemed by the investor, he is *not required to pay capital gains tax* unless his country of residence levies such a tax.
3. DEATH TAXES—upon being advised of the death of an investor, INTERNATIONAL FUND OF CANADA will automatically carry out the wishes of the investor as indicated in the declaration of trust signed with the application of the investor which may be changed from time to time during his lifetime. The valuation of the investment in INTERNATIONAL FUND OF CANADA can be determined quickly and accurately and the amount thereof can be remitted to the beneficiaries *free from any estate or inheritance taxes* in the Bahama Islands, thereby facilitating and simplifying final settlement of the estate of the investor. The investor will be liable only for such death taxes as are levied by his country of residence.

These tax benefits of course are available only to persons not resident in either the United States or Canada. While it is impossible for INTERNATIONAL FUND OF CANADA to predict tax changes in the future, its skilled management will be constantly aware of such changes and will operate in such a manner so as to minimize such taxes for the Fund and its shareholders.

INTERNATIONAL FUND OF CANADA itself is *not subject to Income Taxes in the Bahama Islands*. Income received by it may be subject to withholding tax in the country from which such income is remitted, but as the policy of the MANAGEMENT will be to achieve long term capital gains, this withholding tax is expected to be of minimum importance.

## IMPORTANT TAX BENEFITS

*to International Fund of Canada*

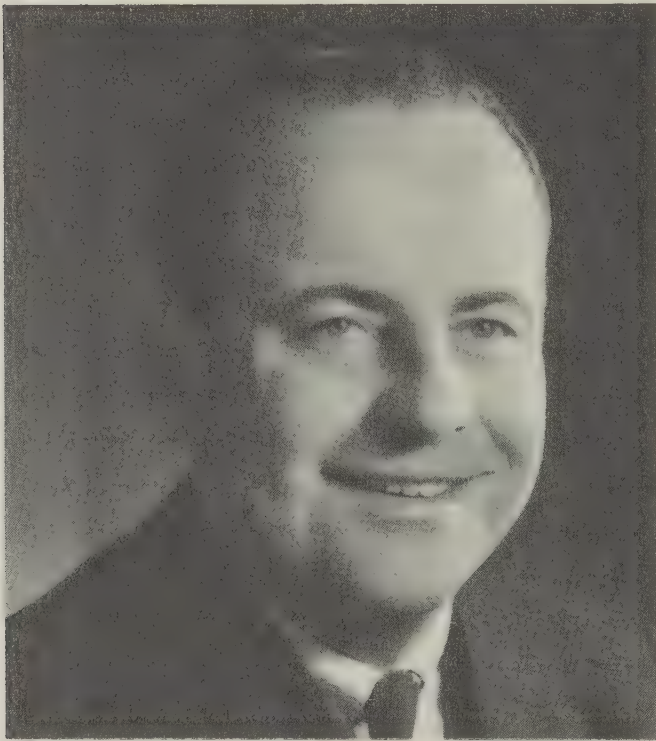


## PROFESSIONAL MANAGEMENT

### Management of International Fund of Canada

INTERNATIONAL FUND OF CANADA is managed by BIF MANAGEMENT LIMITED, a corporation incorporated under the laws of the Bahama Islands. The officers and directors of INTERNATIONAL FUND OF CANADA and of BIF MANAGEMENT LIMITED are:

**BIF MANAGEMENT**



SINCLAIR MCKNIGHT STEVENS, B.A.

is a graduate of the University of Western Ontario and Osgoode Hall Law School having been called to the Ontario Bar in 1955. He is a partner with Stevens, Hassard & Elliott, est. 1957; barristers and solicitors, 48 Yonge Street, Toronto, Ont. President and Director of: British International Finance (Canada) Limited; The Wellington Financial Corporation, Limited; York Trust and Savings Corporation; Canadian Finance & Investments Ltd.; Fort Garry Trust Company; BIF Management Limited; Wellington Bank International Limited. Vice-President and Director of Canadian First Mortgage Corporation. Director of: The Lambton Loan and Investment Company; Timed Investment Fund Ltd.; International Savings and Mortgage Corporation; British Northwestern Insurance Company; Security National Insurance Company; Albany Club of Toronto.



PHILIP BARTLETT MACDONALD, B.A.

is a graduate of the University of Western Ontario and Osgoode Hall Law School. He is Executive Vice-President and Director of British International Finance (Canada) Limited and Managing Director of York Trust and Savings Corporation; Secretary-Treasurer and Director of Canadian First Mortgage Corporation; Director of Canadian Finance & Investments Ltd., The Lambton Loan and Investment Company, The Alberta Fidelity Trust Company.



**MAXWELL BRUCE, Q.C.**

is a graduate of the University of Toronto and Osgoode Hall Law School having been called to the Ontario Bar in 1948. He is a partner in the law firm of Manning, Bruce, Paterson and Ridout, Toronto, and is Chairman of the Executive Committee of the Canadian Red Cross Society. Mr. Bruce is associated with many well-known Canada companies and holds directorships in Mid-Continent Pipelines Limited, Crown Trust Company, Remington Rand Ltd., and Sperry Rand Financial Corp. (Canada) Ltd., among others. He is Vice-President and Director of The Wellington Financial Corporation, Limited, and a director of the Wellington Bank International Limited.



**Mrs. PRISCILLA F. ASTLEY-BELL, O.B.E.**

(seated at right)

Mrs. Astley-Bell was awarded the O.B.E. by the late King George VI in 1948 for her outstanding wartime activities. Since the war Mrs. Astley-Bell has become a well-known personality in international business.

She is a Director of Wellington Bank International Limited and Wellington Bank Limited.

**TERENCE J. PEARS (at right)**

Mr. T. J. Pears is Assistant Vice-President of Wellington Bank International Limited and Manager, Nassau Branch of Wellington Bank Limited, a subsidiary.

Mr. Pears has over seventeen years of banking experience, having first served with the National Provincial Bank Limited in England and then with the Bank of Nova Scotia, where he gained wide experience in South America and the Caribbean.

**RAYMOND A. STEVENSON (at left)**

Mr. R. A. Stevenson, Manager of the International Division of Wellington Bank International Limited, has a wide banking background, having first served with Barclays Bank, DCO in Rhodesia, then with the Bank of London and South America, and with the Bank of London and Montreal Limited in Nassau.

The Honorable ROY M. SOLOMON (seated at left) Director of—Wellington Bank International Limited; Solomon Brothers Limited; Solomon's Mines Limited, Solomon's Holdings Limited; Bahamas Airways Limited.



BIF MANAGEMENT LIMITED will have the investment advisory assistance of the senior executives and officers of member companies of the BIF GROUP and in particular of The Presidents' Fund Management Limited, the management company for The Presidents' Fund.

## INVESTMENT ADVISORS

As compensation for managing the investment portfolio of INTERNATIONAL FUND OF CANADA and for performing certain administrative services, BIF MANAGEMENT will receive a management fee of one twenty-fourth of one per cent per month of the total net assets at the end of each month, of INTERNATIONAL FUND OF CANADA.

## MANAGEMENT AGREEMENT

BIF MANAGEMENT will supervise all phases of the activities of INTERNATIONAL FUND OF CANADA, will review the purchase and sale of securities, will furnish financial advice, and will provide office space, accounting and administrative staff and facilities required to conduct the day-to-day business of INTERNATIONAL FUND OF CANADA.

INTERNATIONAL FUND OF CANADA will not bear any of the sales promotion or advertising costs in connection with the distribution of its shares. These costs as well as the cost of printing this prospectus and all other sales literature will be borne by BIF MANAGEMENT and BIF INVESTMENT SERVICES OF CANADA LIMITED, sole distributor of the Fund. No director or officer of INTERNATIONAL FUND OF CANADA or of BIF MANAGEMENT or of BIF INVESTMENT SERVICES OF CANADA LIMITED will receive any salary, directors' fees or other compensation as such from INTERNATIONAL FUND OF CANADA, except as mentioned below, all such payments being made by BIF MANAGEMENT from its compensation from INTERNATIONAL FUND OF CANADA.

INTERNATIONAL FUND OF CANADA will pay only normal operating expenses not assumed by BIF MANAGEMENT which will include directors' fees for non-affiliated directors, taxes if any, including security transfer taxes, interest, actual costs attributed to the purchase and sale of securities, legal and auditing fees, and the cost of the preparation, printing and mailing of stockholder reports, all in accordance with standard United States fund auditing and accounting practices.

BIF MANAGEMENT has agreed that if total expenses including management compensation but excluding taxes, interest and actual costs attributed to the purchase and sale of securities, exceed 1% of the average market value of the net assets of the Fund for the full accounting period or at the end of such period, whichever is the larger, BIF MANAGEMENT will not charge, or if paid, will refund to INTERNATIONAL FUND OF CANADA the excess over 1%.

## GUARANTY AGAINST EXTRAORDINARY EXPENSE



## ORGANIZATIONS THAT SERVICE THE FUND

BANQUE CANADIENNE NATIONALE, with its Head Office in Montreal, Canada, will be the custodian of all securities of INTERNATIONAL FUND OF CANADA. BANQUE CANADIENNE NATIONALE was established in 1874 and has total assets in excess of \$1 Billion (U.S.)

**INDEPENDENT  
BANK CUSTODIAN  
OF INVESTMENT  
SECURITIES**

WELLINGTON BANK INTERNATIONAL LIMITED, Nassau, Bahamas, acting as custodian, will hold all fund shares and programs acquired on behalf of the investor in the CAPITAL GROWTH PLAN in custody for safekeeping, for BIF INVESTMENT SERVICES OF CANADA LIMITED, exclusive distributors of the BIF CAPITAL GROWTH PLAN.

**CUSTODIAN**

BARCLAYS BANK, DCO, London, England; Nassau, Bahamas; Hamburg, West Germany; will act as depository of cash for INTERNATIONAL FUND OF CANADA and for BIF INVESTMENT SERVICES OF CANADA LIMITED.

**INDEPENDENT  
CASH DEPOSITORY**

WELLINGTON BANK INTERNATIONAL LIMITED, Nassau, is the transfer agent and registrar of INTERNATIONAL FUND OF CANADA shares.

**TRANSFER AGENT  
AND REGISTRAR**

The above banks do not perform any management, supervisory or investment functions in connection with INTERNATIONAL FUND OF CANADA and are not responsible for the investment quality of the securities bought and sold or for the performance of INTERNATIONAL FUND OF CANADA. Their responsibilities are purely administrative.

Touche, Ross, Bailey & Smart, chartered accountants with world-wide accounting facilities are the independent auditors for the Fund. Their examination of the financial statements of the Fund is made in accordance with auditing standards generally accepted in the United States of America and Canada.

**INDEPENDENT  
PUBLIC  
ACCOUNTANTS**



## HOW TO INVEST IN THE FUND

Investment accounts may be opened through representatives of BIF INVESTMENT SERVICES OF CANADA who, through the *BIF CAPITAL GROWTH PLAN*, offer a wide range of investment programs to suit the varying needs of investors throughout the world.

**HOW TO OPEN AN  
ACCOUNT IN  
INTERNATIONAL  
FUND OF CANADA**

Programs are available for Cash Investments and for systematic Monthly Accumulation Programs on a 10 or 15 year basis.

Investments may be made in U.S. dollars or in any approved currency which is freely convertible into U.S. dollars.

Investments in *BIF CAPITAL GROWTH PLANS* are used to purchase shares of INTERNATIONAL FUND OF CANADA at net asset value for credit to the investor's account, after deduction of acquisition and other charges.

Paid-up Cash Investment Program acquisition charges are detailed below:

Amount of Cash Investment In U.S. Dollars (Or proceeds of conversion of acceptable currency)	Acquisition Charges (Percentage)
\$ 1,000 to \$ 4,999	8½
5,000 to 9,999	8
10,000 to 14,999	7½
15,000 to 24,999	7
25,000 to 74,999	5
75,000 to 149,999	3½
150,000 to 249,999	2½
250,000 to 499,999	1½
500,000 and over	1

The following types of Paid-up Cash Investment Programs are available:

- (a) Individual.
- (b) Joint—two or more persons, redeemable by either or by the survivor, with automatic right of survivorship.
- (c) Corporations, companies, partnerships and other business enterprises.
- (d) Profit sharing plans, employee benefit plans, and pension funds.

Acquisition charges may be reduced through a LETTER OF INTENT PROGRAM or by ACCUMULATED PURCHASES.

Variable Withdrawal Programs may be established for investors requiring a monthly or quarterly *cheque* for *income purposes*.



Particulars of the Cash Investment Program, the systematic Monthly Accumulation Program, the Letter of Intent Program, and the Accumulated Purchase privilege are set out in the current *BIF CAPITAL GROWTH PLAN PROSPECTUS*.

## **BIF CAPITAL GROWTH PLAN PROSPECTUS**

The current copy of the *BIF CAPITAL GROWTH PLAN PROSPECTUS* is available from a BIF representative or by writing directly to BIF INVESTMENT SERVICES OF CANADA LIMITED, at

317 Bay Street,		38 Walbrook,
P.O. Box 1158,	or	London, E.C. 4,
Nassau, Bahamas,		England.

### **HOW TO REDEEM INVESTMENTS IN THE FUND**

Investors may at their option and at any time, redeem INTERNATIONAL FUND OF CANADA program certificates in whole or in part at 100% of net asset value on the day of redemption. The Plan Certificate bearing the investor's signature must be accompanied by a signed letter of instruction when the investment plan is to be fully terminated.

## **REDEMPTIONS**

Promptly upon receipt of the completed documents, a bank cashier's cheque representing the proceeds of redemption, will be forwarded in U.S. dollars, or such other currency as the investor may arrange.

BIF INVESTMENT SERVICES OF CANADA LIMITED may, when its management deems it to be in the best interest of its investors, temporarily defer redemption during any period when: trading on one or more of the major stock exchanges of the world where the underlying investments of INTERNATIONAL FUND OF CANADA are listed has been suspended or restricted other than for regular holidays; the Securities and Exchange Commission of the United States of America or a Securities Commission in Canada has directed or permitted such suspension or restriction; extraordinary circumstances exist which makes disposal or valuation of investments of the Fund not reasonable or practicable.

At other times, the obligation to redeem the program certificate is *mandatory*.



## GENERAL INFORMATION

The officers and representatives of BIF Investment Services of Canada Limited are fully bonded under a *Brokers Blanket Bond* policy issued by The Continental Insurance Company.

For the convenience of investors, quotations of net asset value in U.S. dollars of the International Fund of Canada will appear regularly in such leading publications as the European edition of the New York Herald Tribune, International edition of the New York Times, Regional editions of Time Magazine and Newsweek. Quotations will be available regularly in other leading publications throughout the world.

INTERNATIONAL FUND OF CANADA reserves the right to reject any application made for investment in its program certificates.

This prospectus is not, and under no circumstances is to be construed as, a public offering of any of these securities for sale in the United States of America or in the territories or possessions thereof, or in any other country in which the offering and sale of these securities is not authorized by the laws thereof. The securities offered by this prospectus may not be purchased by persons subject to the Non-Sterling Investment Restrictions of the Scheduled Territories of the Sterling Area.

Unless otherwise specifically mentioned in this prospectus, all amounts are stated in United States dollars.

Translations of this prospectus and other related material will be available in French, German and other languages. The most recent English version shall be the final reference in the event of any question of interpretation resulting from translation. The company reserves the right to amend this prospectus, except as to specified charges, at any time without prior notice.

No person is authorized to make any representations other than those contained in this prospectus, the periodic reports of the Fund, or in the related literature issued by BIF MANAGEMENT LIMITED or BIF INVESTMENT SERVICES OF CANADA LIMITED or INTERNATIONAL FUND OF CANADA LIMITED.

The interpretation of this prospectus and all matters arising under it will be made in accordance with the laws of the Bahama Islands.



## **AFFILIATES IN CANADA AND OVERSEAS**



**BRITISH INTERNATIONAL FINANCE (CANADA) LIMITED**  
Toronto, Ontario

**THE WELLINGTON FINANCIAL CORPORATION, LIMITED**  
Toronto, Ontario

**WELLINGTON BANK INTERNATIONAL LIMITED**  
Nassau, Bahamas; New York City; London, England

**WELLINGTON OVERSEAS CORPORATION**  
New York, U.S.A.

**CANADIAN FINANCE & INVESTMENTS LTD.**  
Winnipeg, Manitoba

**BANK OF WESTERN CANADA (Proposed)**  
Winnipeg, Manitoba

**ALBERTA FIDELITY TRUST COMPANY**  
Edmonton, Calgary, Camrose; Alberta

**FORT GARRY TRUST COMPANY**  
Winnipeg, Manitoba

**INTERNATIONAL SAVINGS AND MORTGAGE CORPORATION**  
Montreal, Quebec; Winnipeg, Manitoba; Sackville, New Brunswick

**THE LAMBTON LOAN AND INVESTMENT COMPANY**  
Sarnia, Chatham, Wallaceburg, Ontario

**YORK TRUST AND SAVINGS CORPORATION**  
Toronto, Ottawa, Guelph; Ontario





BIF INVESTMENT SERVICES OF CANADA LIMITED,  
exclusive distributors for the  
INTERNATIONAL FUND OF CANADA,  
is a member of the BIF Group of  
financial institutions, operating in the trust,  
savings, mortgage, banking and mutual fund fields, both  
in Canada and internationally. The parent  
company for the entire Group is  
BRITISH INTERNATIONAL FINANCE (CANADA) LIMITED,  
an all Canadian company with head office  
in Toronto, Canada.

The combined assets of the entire BIF Group  
are in excess of \$130,000,000, and  
their combined capital resources are in excess of  
\$20,000,000. There are now 12 public  
companies and 1 public investment trust in the BIF Group.

For the name and address of your nearest  
BIF Representative, write directly to  
BIF INVESTMENT SERVICES OF CANADA LIMITED:

317 Bay Street,		38 Walbrook Street,
P.O. Box 1158,	or	London, E.C. 4,
Nassau, Bahamas		England

Representative.....

Address.....



# BIF INVESTMENT SERVICES OF CANADA LIMITED

## CAPITAL GROWTH PLAN APPLICATION

To: BIF INVESTMENT SERVICES OF CANADA LIMITED

I hereby apply for the program indicated below of the BIF CAPITAL GROWTH PLAN, and acknowledge receipt of the Plan Prospectus and of the Fund Prospectus named herein and agree to be bound by the terms thereof.

APPLICANT M Print Block Letters }	First Name	Middle Names	Last name		
	Mail Address				
	City	Province-State	Country		
	Permanent Address				
	City	Province-State	Country		
	Country of Citizenship	Birth Date:	Day	Month	Year
JOINT APPLICANT M	First Name	Middle Names	Last Name		
	Permanent Address				

NAME OF FUND

### CASH INVESTMENT PROGRAM: (U.S. \$ only)

Amount-Minimum \$1,000	A/C No. if Additional Investment
LETTER OF INTENT OBJECTIVE	PRIOR TO
Amount	Day Month Year
Initial Investment—Minimum 10%	
VARIABLE WITHDRAWAL	Initial Investment—Minimum \$10,000
I hereby authorize the redemption of sufficient shares to pay to me at my mail address \$ (U.S.) OR	
equivalent in	COMMENCING
Type of acceptable currency	Day Month Year
and payable <input type="checkbox"/> quarterly <input type="checkbox"/> monthly	
Signature of Applicant	

### MONTHLY ACCUMULATION PROGRAM (U.S. \$ ONLY)

Plan Total	No. Deposits	Initial Deposit	Monthly Deposit
\$		\$	\$
<input type="checkbox"/> Completion Insurance	<input type="checkbox"/> Acc. Death Benefit	<input type="checkbox"/> Acc. Disability Benefit	

### INSTRUMENT OF TRUST

I direct that my/our program be held by Wellington Bank International Limited in trust on the terms set out on the reverse side hereof.

First Beneficiary	Name in Full	Day	Month	Year
		Date of Birth		
	St. (Permanent Address)	State/Province	Country	
Second Beneficiary	Name in Full	Day	Month	Year
		Date of Birth		
	St. (Permanent Address)	State/Province	Country	

I/We agree to continue the above Program until completed. If I/we may be rated as other than standard for insurance purposes, I/we agree to accept such coverage at the rate applicable to such non-standard risk. If I/we may be unacceptable for insurance purposes, I/we agree to continue the above Program as a Program without insurance.

Enclosed herewith is my/our investment for ..... which  
Amount—Type of Currency

I/we authorize BIF Investment Services of Canada Limited to convert into U.S. \$ at the rate of exchange prevailing in Nassau, Bahamas as at the date of such conversion.

Date—Day	Month	Year	Place Signed
			<input type="checkbox"/> Cheque <input type="checkbox"/> M.O. <input type="checkbox"/> Post Date Cheques
Language Preferred			Method of Payment
Witness			Applicant
Witness			Joint Applicant
REPRESENTATIVE			CODE

OFFICE USE ONLY



## TERMS OF TRUST

The Applicant(s) for the Program shown on the reverse side hereof to be issued to Wellington Bank International Limited, P.O. Box 1158, 317 Bay Street, Nassau, Bahamas (hereinafter called "the Trustee" which expression shall include any substitute Trustee from time to time appointed) hereby direct the Trustee TO HOLD the Program upon the trusts and in manner set out below.

1. The Trustee shall hold the Program as follows:

- (A) For the benefit of the applicant during his lifetime or in the case of joint applicants for the benefit of the applicants or the survivor(s) of them for the time being.
- (B) Upon the death of the applicant or in the case of joint applicants upon the death of the last surviving applicant for the benefit of the first beneficiary shown on the reverse side hereof.
- (C) If the Trustee shall receive proof satisfactory to it that the first beneficiary is then deceased for the benefit of the second beneficiary shown on the reverse side hereof.
- (D) If the Trustee shall receive proof satisfactory to it that none of the above named beneficiaries is living at the time of death of the applicant or in the case of joint applicants at the time of death of the survivor of them, or, if no beneficiary shall be indicated above then in each case for the benefit of the executors or legal or personal representatives of the applicant or the last surviving applicant, as the case may be, appointed by any Court of competent jurisdiction.

2. If the Trustee shall believe any beneficiary entitled to the Program is a minor or incompetent, then the Trustee shall be entitled to release the Program or any benefits thereunder to and generally to act on the directions of any parent of the beneficiary or any guardian, custodian, or trustee of the beneficiary appointed by any Court of competent jurisdiction.

3. During the lifetime of the applicant or in the case of joint applicants until the death of the survivor of them the applicant or the then surviving applicant(s) may at any time revoke this trust by executing in writing a similar form of Trust Instrument acceptable to the Trustee but such revocation shall take effect only as and when such new executed Trust Instrument is received by the Trustee.

4. This trust will automatically terminate upon the termination of the Program in its entirety before the death of the applicant or in the case of joint applicants before the death of the survivor of them.

5. The Trustee shall during the lifetime of the applicant(s) (and the life of the survivor of them) conform to all lawful directions given by the applicant(s) in relation to the Program.

6. The Trustee hereby irrevocably appoints the applicant(s) (jointly and the survivor of them) to be the agent(s) of the Trustee to deal with the Program in such manner as the applicant(s) thinks fit to the intent that all persons may deal with the applicant(s) during his/her life (and the life of the survivor of them) as though the applicant(s) were the legal and beneficial owner(s) thereof.

7. Where the Trustee shall make any payment or do any act or thing which but for the death(s) of any person(s) would properly have been paid or done under the terms of this trust, then such payment or act shall be deemed validly paid or done hereunder and the Trustee held harmless if the Trustee shall not have received notice of such death(s).

8. Where the Trustee shall receive evidence satisfactory to it of the appointment in any jurisdiction of any person as executor, legal representative, personal representative, custodian, trustee or appointment to any other representative or protective capacity or that a person is the parent of the beneficiary, then any payment made or act or thing done by the Trustee relying upon such evidence shall be deemed validly paid or done under the terms of this trust and the Trustee held harmless notwithstanding the existence of any other guardian, executor, legal representative, personal representative, custodian, trustee or other appointee, appointed in the same or any other jurisdiction and notwithstanding that the other parent is living.

9. In order to induce the Trustee to accept this trust the Trustee (and any substitute Trustee hereunder) may, with the approval of *BIF* Investment Services of Canada Limited, at any time retire as trustee from this trust and appoint a substitute Trustee to act hereunder.

10. In order to induce the Trustee to undertake and perform the trusts hereof the applicant or the joint applicants on behalf of himself, themselves, his or their respective heirs, legal representatives, successors and assigns hereby agree(s) to indemnify and hold harmless the Trustee, *BIF* Investment Services of Canada Limited and their successors and assigns from and against any and all actions and claims, whether valid or otherwise, and any and all liability, loss, costs and expenses incurred or in any way arising by reason of any act done or omitted to be done in reliance on the terms of this trust or in furtherance of the execution of the trusts hereunder or in reliance on any instructions hereafter given by the applicant or the joint applicants with respect to the Program. In the event of any failure to so indemnify and hold harmless as aforesaid the Trustee and *BIF* Investment Services of Canada Limited may be indemnified and held harmless out of the Program or the shares of any Fund held under the Program and the Trustee and *BIF* Investment Services of Canada Limited may exercise a lien and power of sale over the Program and in respect of any such liability, loss, costs and expenses; provided always that the Trustee and *BIF* Investment Services of Canada Limited shall not be indemnified or held harmless in respect of any wilful act of default by them.

11. This trust shall become binding on the applicant(s) and the Trustee only upon acceptance of the Program application of the applicant(s).





BIF Group mutual fund management, in conference



